Government of Saskatchewan

Annual Report 2002

Agriculture, Food and Rural Revitalization

Agricultural and Food Products Development and Marketing Council

(Saskatchewan Agri-Food Council)

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LETTERS OF TRANSMITTAL

MESSAGE FROM THE MINISTER

To Her Honour
The Honourable Lynda Haverstock
Lieutenant Governor of the Province of Saskatchewan

Madam:

In 2002, the Saskatchewan Agri-Food Council, along with the 10 producer-run boards and commissions, continued to work towards the development of both strong and competitive agriculture and food industries in the province.

These producers groups are to be commended for their ongoing efforts in positioning their respective sectors for long-term sustainability and growth. Over the past year they have engaged in important marketing, research and development activities, strengthened the knowledge and skill base of their producers and worked as a unit to address an array of challenges concerning the orderly marketing of Saskatchewan agriculture and food products.

The Saskatchewan Agri-Food Council, in its regulatory and advisory role, is also to be acknowledged for responsibly monitoring the 10 Saskatchewan agencies and providing ongoing leadership in the regulation, promotion and development of agricultural and food product marketing.

I applaud both the Council and its agencies for successfully maintaining their active roles. Their dedication and commitment has assisted our agriculture industry in continuing to prosper, as well as contribute to this province's economy and the well-being of its people.

I am pleased to submit the 2002 Annual Report of the Saskatchewan Agri-Food Council.

Respectfully submitted,

Clay Serby

Clay Serby
Deputy Premier
Minister of Agriculture, Food and Rural Revitalization

Honourable Clay Serby, Deputy Premier
Minister of Agriculture, Food and Rural Revitalization
Legislature of Saskatchewan

Dear Minister Serby:

It has been a privilege for the Saskatchewan Agri-Food Council to work with and support the initiatives of the ten producer-run boards and commissions operating under The Agri-Food Act.

In fulfilling its regulatory and advisory role, the Saskatchewan Agri-Food Council has come to respect and value the contributions of Saskatchewan's marketing and development agencies in advancing our agriculture and food industry, strengthening the economic base of our province, and providing consumers with top quality agri-food products.

In accordance with section 21 of The Agri-Food Act, I submit herewith the Annual Report of the Saskatchewan Agri-Food Council for 2002.

Respectfully submitted,

Garf Stevenson

Garf Stevenson, Chairperson 2002

Saskatchewan Agri-Food Council

Established in 1990[1], the Agri-Food Council regulates and monitors the activities of marketing and development agencies in accordance with The Agri-Food Act (the Act). The Council plays both a regulatory and an advisory role.

Producer operated boards and commissions, which collect either voluntary or mandatory levies used for research, development and marketing initiatives are governed by this Act.

The Council supervises compliance of boards and commissions within the terms and conditions of the Act, advises and updates the Minister of Saskatchewan Agriculture, Food and Rural Revitalization on the operations and administration of agencies governed by the Act, and makes recommendations to the Minister.

As part of its regulatory role, the Council reviews proposed marketing and development plans, determines whether public meetings or hearings should be called in respect to the proposed plans, conducts producer votes and makes recommendations to the Lieutenant Governor in Council or the Minister on whether to amend or terminate such plans. The Council also approves all marketing board, development board, and development commission orders to ensure compliance with the Act.

The Council also investigates and mediates complaints or disputes concerning policies and actions of boards and commissions. There is a separate appeal body appointed under the Act to hear appeals, the Agri-Food Act Appeal Committee. The Committee is mandated to address complaints from any person who files a grievance, within 45 days, concerning an act or omission of any agency established under the Act.

As an advisor, the Council works with producer groups interested in establishing development or marketing agencies and consults with agencies on issues relating to federal-provincial marketing agreements.

In all its activities, the Council is guided by the following basic values and principles:

- **leadership in developing and supporting competitive agriculture and food industries;**
- **open, fair and decisive undertakings under the authority of the Act;**
- **accountability for actions affecting the public interest;**
- **positive communication and consultation amongst participants;**
- **compliance with orders and regulations under the Act; and**
- **active development of opportunities to fulfill Saskatchewan's agricultural and food production and marketing potential.**

The Saskatchewan Agri-Food Council is currently responsible for monitoring 10 Saskatchewan agencies, including:

- Saskatchewan Alfalfa Seed Producers Development Commission;
- Saskatchewan Broiler Hatching Egg Producers' Marketing Board;
- Saskatchewan Canola Development Commission;
- Chicken Farmers of Saskatchewan;
- Saskatchewan Egg Producers;
- Saskatchewan Flax Development Commission;
- Sask Pork;
- Saskatchewan Pulse Growers;
- Saskatchewan Sheep Development Board; and the
- Saskatchewan Turkey Producers' Marketing Board

The mission of the Agri-Food Council is:

- *to provide leadership;*
- *to ensure open and responsible operation of agencies established under the Act; and*
- *to regulate, promote and develop the marketing of agricultural and food products.*

[1] The Agri-Food Council replaced the Saskatchewan Natural Products Marketing Council, the supervisory body established under legislation preceding The Agri-Food Act.

2002 In Review

HIGHLIGHTS

In 2002, the Agri-Food Council continued to carry out its mandate to supervise the activities and administration of boards and commissions operating under The Agri-Food Act, on behalf of the Minister of Agriculture, Food and Rural Revitalization. The Provincial Auditor and Saskatchewan Agriculture, Food and Rural Revitalization made recommendations to improve the standards of financial reporting of agencies in spring of 1998. During that year, the boards and commissions were successful in improving the standard of financial reporting, although overall compliance was poor at 48 per cent. Compliance levels increased to 66 per cent in 1999, 82 per cent in 2000, and 92 per cent in 2001.

Overall compliance in 2002 decreased to 86 per cent, and as a result, the Council will be working more closely with agencies to bring the level up to 100% compliance in 2003. Most development and marketing boards and development commissions met their obligations under The Agri-Food Act during 2002. The Saskatchewan Sheep Development Board, Saskatchewan Egg Producers, and the Saskatchewan Turkey Producers' Marketing Board failed to meet all of the Council's recommendations with respect to financial reporting standards. These agencies will be closely monitored for compliance in 2003.

Work continues on reaching an agreement on an updated Federal-Provincial Agreement for Egg Markets in Canada. Saskatchewan is dedicated to working with the industry on a system under the Federal-Provincial Agreement that ensures growth for Saskatchewan.

The Agri-Food Council continued to monitor Saskatchewan's poultry industry performance under national marketing systems. As national marketing agencies adjust operations to better serve the marketplace, the Council will continue to participate with other provinces to ensure revisions to each of the poultry federal provincial agreements. Progress was made on developing a draft Turkey Federal-Provincial Agreement, as the draft Agreement and Operating Agreement have been received by the provinces.

The Council undertook a Strategic Planning process this year. The resulting Plan will be finalized and presented in spring of 2003. Developing a Strategic Plan is an important process for the Council, and will be used as a tool to ensure an effective and proactive approach to monitoring and supervising the agencies under its jurisdiction.

Over the course of the year, the Agri-Food Council held five board meetings and conducted an additional two teleconference meetings.

REPORT OF ACTIVITIES

Supervision of Boards and Commissions

As part of its responsibility to supervise boards and commissions under The Agri-Food Act, the Agri-Food Council reviewed the minutes of regular and annual meetings of boards and commissions, as well as all annual reports and financial statements. In addition, Council members and staff attended various meetings of boards and commissions and reported back to the Agri-Food Council. The Council was represented at special and annual meetings of all 10 agencies over the course of the year. Council also held joint meetings with representatives of the Chicken Farmers of Saskatchewan, Saskatchewan Broiler Hatching Egg Producers Marketing Board, Saskatchewan Pulse Growers, Saskatchewan Egg Producers, the Saskatchewan Canola Development Commission, and the Saskatchewan Turkey Producers' Marketing Board. Officials of the Agri-Food Council attended a meeting of the National Association of Agri-Food Supervisory Agencies held in conjunction with annual meetings of the four national poultry marketing agencies. The Council also represented Saskatchewan's interests at meetings of national marketing agencies.

Marketing Plan Reviews

No new marketing plans were submitted to the Agri-Food Council for its review during 2002. However, the Council reviewed changes to marketing and development plans to ensure they accurately reflected the needs, operations and activities of agencies established under the Act

Orders of Boards and Commissions

Marketing boards and commissions exercise certain powers granted to them by their marketing and development plans through marketing orders. These orders require Council approval. Council reviewed and approved the following orders in 2002.

Chicken Farmers of Saskatchewan

Order #26/02	Development Check-off
Purpose:	This order put in place a temporary reduction in the $0.03 levy to $0.01.
Order #27/02	Development Check-off
Purpose:	This order extended the temporary reduction of the $0.03 levy to $0.01.

Saskatchewan Canola Development Commission

These orders were updated due to the previous orders being outside of the 10 year time frame allowed for in The Agri-Food Regulations.

Order #08/02 Refund of Check-offs

Order #09/02 Buyer Registration

Order #10/02 Producer Registration

Order #11/02 Exemptions

Order #12/02 Reporting - this order also defined the time frame by which buyers must report to the agency.

Order #13/02 Check-off Collection

SaskPork

Order #07/02 Hog Industry Check-off

Purpose: This order reduced the check-off from $0.90 per head to $0.75 per head, effective January 1, 2003.

Saskatchewan Pulse Crop Development Board

Order #07/02 Producer Registration
Purpose: This order updates the registration activities for producers in the pulse industry. It also removes some of the required information that producers/ buyers must submit to the agency.

Order #08/02 Buyer Registration
Purpose: This order removes the previously outdated requirements in reporting to the agency. Instead, it allows the Board to require different information of various agencies, as they feel is required.

Order # 09/02 Exemptions
Purpose: This order was updated to meet the requirement that it be updated at least every 10 years. No other amendments were made to this order.

Order #10/02 Check-off Collection
Purpose: This order raised the check-off from 0.5% to 0.75% in 2002 and to 1.0% in 2003. The agency believed the industry required and supported a greater amount of dollars being spent on research.

Saskatchewan Turkey Producers' Marketing Board

Many of the board's orders had not been updated since the agency's inception in 1976. The following orders were approved by the Council on April 15, 2002:

Order #01/02 Application and Definitions

Order #02/02 Exemptions

Order #03/02 Registration and Licensing

Order #04/02 Operation Fees and Service Charges

Order #05/02 Producer Minimum Prices

Order #06/02 Information, Reports and Inventories

Order #07/02 Quota's, Permits and Production Units

Order #08/02 Quota Limitations

Order #09/02 Over Quota Marketing's, Levies and Penalties

Order #10/02 Excess Production, Marketing Fees and Penalties

Order #11/02 Quota Transfer

Order #12/02 Financial Interests

Order #13/02 Revoking Orders Prior to 2002

2002 SASKATCHEWAN AGRI-FOOD COUNCIL MEMBERS

Members

Garf Stevenson, Chairperson, Regina
Ken Rasmussen, Vice-Chairperson, Regina
Audrey Hinz, Saskatoon
Ray Riviere, Radville
Don Tait, Elrose

Staff

Roydon G. White, Secretary
Joy A. Smith, Assistant Secretary
Brian Machin, Assistant Secretary (on secondment)

Council Office

Room 125
Walter Scott Building
3085 Albert Street
Regina, Saskatchewan
S4S 0B1

Phone: 306-787-5952
Fax: 306-787-0271
E-mail: rwhite@agr.gov.sk.ca
jsmith@agr.gov.sk.ca

Appeals Under The Agri-Food Act

The Agri-Food Act allows any person aggrieved by a decision of a board or commission to appeal the matter to an appeal committee appointed by the Minister of Agriculture, Food and Rural Revitalization. The Agri-Food Act Appeal Committee hears the arguments of parties involved and makes a ruling on the appeal. The membership of the Appeal Committee in 2002 consisted of:

Members

Mr. Martin Wrubleski, Chairperson, Regina
Mr. Bill Brown, Vice-Chairperson, Saskatoon
Ms. Jackie Andreas, Swift Current
Mr. Gordon Cresswell, Tisdale

Staff

Roydon G. White, Secretary
Joy A. Smith, Assistant Secretary

In 2002, the Agri-Food Act Appeal Committee heard one appeal:

January 24, 2002

Real Letourneau vs. The Saskatchewan Broiler Hatching Egg Producers' Marketing Board

In 1999, the Chicken Farmers of Saskatchewan and the Saskatchewan Broiler Hatching Egg Producers Marketing Board (the Board) reached an agreement to convert six broiler hatching egg producers to broiler producers. The conversion was to create a higher quality hatching egg and, in return, a better quality chick. As a few smaller hatching egg producers exited the industry, it was required that one larger producer enter the industry to make up for the lost production. The appellant was the larger producer who entered the industry. The Committee heard from the Board that in June of 2000, the Appellant signed an agreement with the Board that he would use, as his purchase price for quota, the average selling price of the first broiler quota auction. The Board claimed that the appellant has subsequently refused to pay for the quota. The appellant appealed the decision of the Board to pay the amount specified by the Board for the quota being used. The Agri-Food Act Appeal Committee ruled in favour of the Board and ordered that the Appellant pay the Board the amount specified for his quota rights.

2002 Reports of Provincial Agency Operations

SASKATCHEWAN ALFALFA SEED PRODUCERS DEVELOPMENT COMMISSION

107 Science Place,
Saskatoon SK S7N 0X2
Phone: 306-956-7275
Fax: 306-956-7247

The Commission's Mission

The Saskatchewan Alfalfa Seed Producers Development Commission was established on July 24, 1997. The general purpose of the Commission is to provide for the orderly and effective development of the alfalfa seed industry in Saskatchewan.

Specific purposes of the Commission are:

- to promote and develop the alfalfa seed and alfalfa leafcutting bee industries in Saskatchewan;
- to develop procedures to maximize returns to producers;
- to encourage the production of a uniform high-quality product;
- to gather, compile, and distribute information related to the production of alfalfa seed and the management of alfalfa leafcutting bees;
- to conduct and encourage research on the production of alfalfa seed and the management of alfalfa leafcutting bees;
- to promote and improve understanding among individuals and organizations within the alfalfa seed and alfalfa leafcutting bee industries; and
- to establish a system of levies on alfalfa seed crops for carrying out the purposes of the Commission.

Alfalfa Seed Production

Alfalfa seed production in the province has expanded rapidly over the past several years to the current level of over 125,000 acres, representing over 75 per cent of the alfalfa seed acreage in Canada. The estimate value of Saskatchewan alfalfa seed production, based on an average yield of 200 lbs/acre and an average price of $1.00/lb is $25 million annually. The alfalfa leafcutting bee is an important pollinator of alfalfa for seed production and has been used by Saskatchewan alfalfa seed producers as a dependable pollinator for about thirty years. Alfalfa leafcutting bee populations, estimated at 20,000 per acre, have grown to a total of approximately 2.5 billion. Under ideal conditions, this population doubles each year and the excess production is marketed primarily to alfalfa seed growers in the United States at a value of about $12.5 million each year.

Administration and Finance

The Commission's system of internal control, legislative compliance and financial statements is examined annually by Hergott Duval Stack & Partners. The board of directors is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Wayne Goerzen currently manages the Commission on a voluntary basis. The levy is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

Check-off

In accordance with the Commission's regulations and orders, the check-off is $0.0075 per pound of alfalfa seed marketed. Producers may request a refund of any or all of the check-off paid. During the 2002 fiscal year, the Commission received $216,407 in check-off and refunded $12,272, or approximately 5.7 per cent. This rate of levy refunds remains unchanged from last year.

There were approximately 500 producers registered with the Commission in 2001.

Check-off Revenue

	2001/2002	2000/2001	1999/2000	1998/1999
Check-off Revenue	$216,407	$111,140	$90,731	$113,057
Refunds	12,727	6,303	8,509	6,187
Net Levy Collected	**$203,680**	**$104,837**	**$82,222**	**$106,870**
Refund Percent	5.7%	5.7%	9.4%	5.4%

2002 Reports of Provincial Agency Operations

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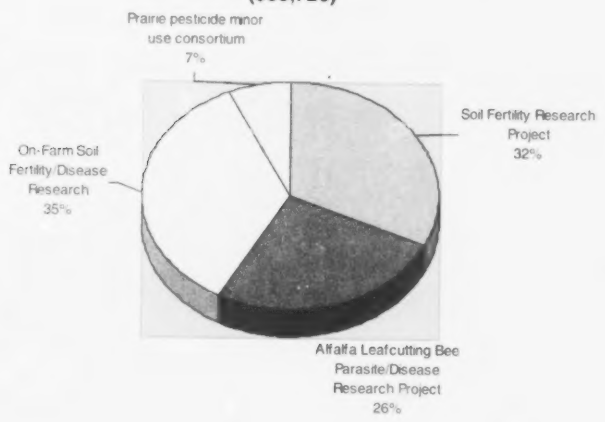
Research Projects

The Commission invested $83,726 in research projects in 2002. As the industry is small, the Commission has limited funding. As such, it must evaluate the most economical means of funding research and identify methods to achieve the greatest leverage for its research dollars. The Commission was successful in developing this leverage as funding from various funds allowed it to provide between two and three dollars of leverage for every dollar invested.

Research Projects
($83,726)


Prairie pesticide minor use consortium 7%
Soil Fertility Research Project 32%
On-Farm Soil Fertility/Disease Research 35%
Alfalfa Leafcutting Bee Parasite/Disease Research Project 26%

2002 Board of Directors

Sheldon Dowling, Chairperson, Prince Albert
Gaylord Mierau, Vice Chairperson, Langham
Ernest Holinaty, Porcupine Plain
Andrew Lindsay-Hawkins, Saskatoon
Clem Lalonde, Zenon Park
Craig Newton, Atwater

Wayne Goerzen, Executive Director

Financial Status

The Commission was successful in meeting all of the financial reporting requirements of Saskatchewan Agriculture, Food and Rural Revitalization during the 2002 fiscal year.

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING JULY 31, 2002

*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001
Statement of Operations			
Revenue	**$95,000**	**$218,928**	**$113,751**
Expenses			
Levy Refunds	5,000	12,727	6,303
Programs	77,500	78,047	66,781
Administration	12,500	10,098	10,649
Total Expenses	**$ 95,000**	**$ 100,872**	**$ 83,733**
Excess of Revenue over Expenses	**$ 0**	**$ 118,056**	**$ 30,108**
Balance Sheet			
Current Assets		$ 288,571	$ 170,515
Non-Current Assets (or Capital Assets)		0	0
Total Assets		$ 288,571	$170,515
Current Liabilities			
Accounts Payable		$ 0	$ 0
Net Assets			
Internally Restricted Net Assets		83,602	56,341
Unrestricted Net Assets		204,969	114,174
Total Net Assets		288,571	170,515
Total Liabilities and Net Assets		$ 288,571	$ 170,515

THE SASKATCHEWAN BROILER HATCHING EGG PRODUCERS' MARKETING BOARD

18 Culliton Crescent
Regina, SK S4S 4J6
Phone: 306-924-3108
Fax: 306-924-3118

The Board's Vision

The Saskatchewan Broiler Hatching Egg Producers' Marketing Board (BHE) contributes to a globally competitive industry by fostering a profitable and innovative environment for production of (top) quality hatching eggs.

Industry Issues

Key issues in 2002:

- Resolving outstanding issues;
- Implementing the Conversion Agreement with the CFS;
- Implementing the modifications to the regulations; and
- Developing an appropriate governance framework for the industry.

Broiler Hatching Egg Production

There were 16 licensed producers at the end of 2002 and one producer producing on a permit, representing a total of 172,000 quota units.

In 1999, the BHE reached an agreement with the Chicken Farmers of Saskatchewan (CFS) that would see some producers exit that industry and begin as broiler producers under permit of the CFS. This agreement had the Board accept 51,000 quota units, remove four of its producers from production and transfer two producers into CFS production. The two producers accepting CFS quota began production in 2001. The financial liability for the 51,000 quota rights is the responsibility of the BHE. In 2001, the BHE and the CFS agreed to be bound by the decision of an arbitrator in the decision of how much the BHE would pay the CFS for the 51,000 units of quota rights. Both parties submitted a Final Offer to the arbitrator. What remained to be finalized was the contribution to this liability by one of the producers. The year has been spent working to arrive at a final determination of this contribution. The parties have now agreed on a binding arbitration process and expect that this will be resolved shortly. Once the producer contribution is concluded, the financial plan and payment schedule to effect payment to the CFS will be finalized.

Administration and Finance

The Board's system of internal control, legislative compliance and financial statements is examined annually by Meyers Norris Penny. The board's directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Saskatchewan Broiler Hatching Egg Producers' Marketing Board was successful in meeting all of the Council's financial reporting requirements during the 2002 fiscal year.

The board employed one part-time secretary in 2002.

Administrator

Through Lieutenant Governor Order in Council #283/2000, dated May 30, 2000, the Minister of Agriculture, Food and Rural Revitalization transferred many of the powers of the Board to an independent administrator.

Broiler Hatching Egg Producers by Quota Holdings

Number of Layers	2002	2001	2000	1999	1998	1997	1996	1995
0 – 2,999	5	5	2	3	3	3	3	3
3,000 – 4,999	1	1	1	1	1	1	1	1
5,000 – 6,999	1	1	1	1	2	2	2	2
7,000 – 9,999	2	2	3	4	5	5	5	5
10,000 – 17,999	5	5	4	3	1	1	1	1
18,000 – 28,499	2*	2*	3	1	1	1	1	1
28,500 +	1	1	0	1	1	1	1	1
	17	17	14	14	14	14	14	14

*Included is the permit holder who has a permit for 20,000 units of quota rights.

The Administrator was charged with the following tasks:

- carry out quota allocation, pricing and levy collection duties and procedures;
- implement the Memorandum of Understanding between the Chicken Farmers of Saskatchewan and the Agri-Food Council;
- resolve industry disputes; and
- explore with industry new decision-making structures that would reduce the conflict currently holding back industry progress.

Check-Off

The check-off revenues for the 2002 fiscal were $0.60 per breeder chick placed. During the 2002 fiscal year, the board collected $109,231 in check-offs, a 38 per cent increase over last year. The increase in check-off collection is due to an increase in production from 2001. The check-off is mandatory and non-refundable.

Check-off Revenue

	2002	2001	2000	1999	1998
Check-off Revenue	$109,231	$79,061	$69,378	$26,075	$22,170

Extension

The University of Saskatchewan extension services are funded by the combined contribution from Saskatchewan's four poultry marketing agencies. Dr. William Audren, poultry extension specialist and Dr. Sandra Stephens, veterinarian, provided extension services to the boards. The service is supervised and administered by Dr. H. Classen (Animal & Poultry Sciences) and Dr. C. Riddell (Veterinary Pathology), reporting to the Research and Extension Committee.

The Board's assessment for the cost of extension services for 2002 remained at $8,241, the same amount as last year. Objectives of the program were to:

- monitor industry performance;
- identify and solve industry problems;
- investigate individual production problems;
- communicate advances in poultry production; and
- act as a liaison to individuals supplying feed, medication and equipment to the poultry industry.

Outlook for 2003

The organization will concentrate on the following issues for 2003:

- Developing an appropriate Governance Model;
- Developing a Strategic Plan and Vision for the Industry;
- Finalizing the role of the Saskatchewan Broiler Hatching Egg Producers' Marketing Board within the provincial and the national industry; and
- Improving the level of trust among producers.

2002 Board of Directors

Ralph Isaac, Director, Saskatoon

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- Improving the level of trust among producers.

2002 Board of Directors

Ralph Isaac, Director, Saskatoon

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2002

*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001
Statement of Operations			
Revenue	**$ 104,445**	**$ 109,546**	**$ 79,345**
Expenses			
Programs	10,000	8,241	8,421
Administration	89,629	92,733	29,004
Total Expenses	**$ 99,629**	**$100,974**	**$ 37,425**
Excess of Revenue over Expenses	**$ 4,816**	**$ 8,572**	**$ 41,920**
Balance Sheet			
Current Assets		$ 635,023	$ 42,661
Investments		0	0
Capital Assets		421	550
Total Assets		$635,444	$ 43,211
Current Liabilities			
Accounts Payable		$26,870	$ 7,106
Quota Conversion Payable		563,897	
Net Assets			
Invested in Capital Assets		421	0
Internally Restricted Net Assets		0	550
Unrestricted Net Assets		44,256	35,555
Total Net Assets		44,677	36,105
Total Liabilities and Net Assets		$635,444	$ 43,211
Cash Flows			
Cash Flow From Operating Activities		$30,916	$ 25,429
Cash Flows from Investing Activities		0	0
Cash Flows from Financing Activities		0	0
Net Increase (Decrease) in Cash		$ 30,916	$ 25,429
Cash Position Beginning of Year		36,805	11,376
Cash Position End of Year		$ 67,721	$ 36,805

SASKATCHEWAN CANOLA DEVELOPMENT COMMISSION

212 - 111 Research Drive,
Saskatoon, SK S7N 3R2
Phone: 306-975-6621
Fax: 306-975-0136
E-mail: amoe@saskcanola.com
Web: www.saskcanola.com

The Commission's Vision

The Commission was established on February 6, 1991.

Vision Statement

Shaping Canola's Future for Producer Profitability

Mission Statement

To enhance canola producers' competitiveness and profitability through a producer led and controlled fund to support research, market development and extension activities.

Industry Issues

Lower canola production, due to price weakness and soil conditions at seeding, resulted in lower revenues for the Commission. This change has required adjustments to the budget accordingly; however, the Commission continues to focus on research, market development, and extension services.

The objectives of the research programs are:

- To improve producer net returns by increasing price and/or yield and providing recommendations for cost-effective use of inputs; and
- To develop new products and uses for canola oil and meal for food and non-food markets.

Developing new uses for canola products is required to add value to the products and promote value-added development in Saskatchewan. It is important to conduct research on industrial uses to develop fuel additives, plastics, dust suppression products and value-added feed products such as high protein fish meal products.

The Commission is partnered with Manitoba and Alberta grower groups and the Canola Council of Canada in market development under the name CanolaInfo. CanolaInfo targeted health professionals, foodservice personnel, and food media with each target have a separate strategy. CanolaInfo also continues to answer questions for consumers.

Canola Production

Canola was seeded on approximately 4.75 million acres in Saskatchewan in 2002. The average yield was estimated at 19.9, down from 25.6 bushels per acre, and approximately 3 bushels/acre below the 10-year average yield of 22.9 bushels per acre.

Administration and Finance

The Provincial Auditor annually examines the Saskatchewan Canola Development Commission's (Commission) system of internal control, legislative compliance and financial statements. The Commission's board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Commission was successful at meeting all of the Council's reporting requirements for 2002.

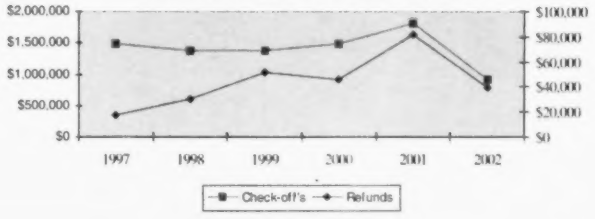
The Commission maintains two internally restricted funds with each fund approximating six months of levy collection. A general fund is to provide funds to complete projects in the event of a reduction of producer check-off fees and a refund fund is to provide refunds of check-off fees in the event the Commission is dissolved. The Commission has had to use the general fund this year due to decreased check-off revenue. During the 2001-2002 crop year seeded acreage of canola in the province dropped over a million acres, a response to price weakness and soil conditions at seeding. The yield also decreased, bringing total output down.

The Commission is also contracted to administer the levies of the Saskatchewan Pulse Growers and the Saskatchewan Flax Development Board. The Commission employed five full time staff and contracted two consultants.

Check-Off

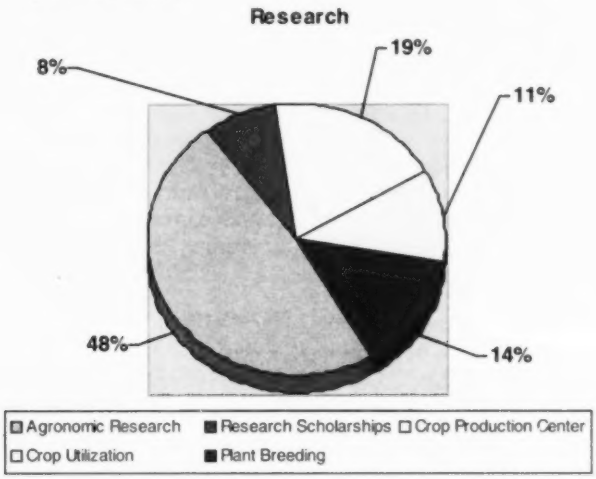
The check-off rate is $0.50 per tonne, unchanged from last year. There were approximately 38,000 producers registered with the Commission in 2002. Thirty buyers registered with the Commission, each purchasing canola and submitting the levy. The Commission received $918,235 in check-offs and refunded $39,116 or approximately 4.25 per cent of the gross check-off.

Check-Off Refund Trend 1997-2002



Research Projects

The Commission invested $576,580 in research projects and crop production centers in 2001-2002, which is approximately a 15 per cent increase in research funding, despite decreased revenue. Approximately 76 projects received funding in 2002. More information on the results of these projects can be found on the Commission's Web site (www.scdc.ca).



Market Development

The Saskatchewan Canola Development Commission (SCDC) partnered with Manitoba and Alberta grower groups and the Canola Council of Canada in market development under the name CanolaInfo. A total of $450,135 was invested in market development in the 2001 - 2002 fiscal year. CanolaInfo was involved with the following initiatives:

- Advertising in Canadian and American Dietetic journals, and exhibiting at American and Canadian Dietetic conferences;
- Developed 14 new facts sheets for Dietitians to use with clients and published two nutrition newsletters;
- CanolaInfo Web site was overhauled and a special section added for health professionals so they can download nutritional information;
- Advertising and Developing resources for teaching future chefs, including an educator's manual, student fact sheets and CD ROM;
- Developed four new recipe brochures for distribution at the International Association of Culinary Professionals conference, and mailed to Canadian Chefs and Cuisine Canada members; and
- Hosting the 5th annual Canola Camp.

Extension

In 2002, the Commission was involved with the following activities:

- Hosted the SCDC Annual Meeting, featuring Kerry Hawkins (Cargill), Bob Elliot (AAFC) and Don Flaten (U of MB);
- Co-exhibited with the Saskatchewan Canola Growers Association (SCGA) at the Crop Production Show and Farm Progress Show;
- Sponsored grower extension meetings and field days in cooperation with the SCGA, Canola Council of Canada, Saskatchewan Agriculture, Food and Rural Revitalization, Agriculture and Agri-Food Canada, and the Saskatchewan Soil Conservation Association;
- Contributed to producing Canola Digest Magazine;
- Sponsored two Agriculture in the Classroom programs; and
- Continued support of the school program, including Canola Corner at the Canola Learning Centre (part of the Conservation Learning Centre in Prince Albert).

Outlook for 2003

The Commission will continue to research new opportunities that will create awareness and promote the canola industry.

In 2003, the Commission will focus on:

- Conducting agronomic and production research projects;
- Conducting research to enhance the development of specialty oil types and identification of quality factors, to encourage the development of biodiesel and diesel fuel additives, and to evaluate the potential use of canola oil as a dust suppressant;

- Evaluating the development of new products from canola oil and meal, and evaluating segregation systems required to grow specialty canola types;
- Developing market development programs to encourage expansion of canola exports to China, Mexico and USA;
- Providing information to dieticians, the media and food service industry on utilization of canola oil for human nutrition;
- Promoting the use of canola meal and whole canola seed for livestock; and
- Promoting the utilization of lubricity additives for diesel fuel and evaluating the potential for biodiesel.

2002 Board of Directors

Jim Caughlin, Chairperson, Tisdale
Barbara Podhorodeski, Vice-Chairperson, Shipman
Wayne Bacon, Director, Kinistino
Ray Hilderman, Director, Strasbourg
Kelvin Meadows, Director, Moose Jaw
John Serhienko, Director, Blaine Lake

Roy Button, Executive Director

Financial Status

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING JULY 31, 2002
*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001
Statement of Operations			
Revenue	**$1,190,000**	**$1,179,776**	**$ 2,015,172**
Expenses			
Programs	1,413,365	1,190,397	1,185,712
Administration	412,450	444,382	472,841
Total Expenses	**$ 1,825,815**	**$1,634,779**	**$ 1,658,553**
Excess of (Expenses over Revenues)	**$ (635,815)**	**$ (455,003)**	**$356,619**
Balance Sheet			
Current Assets		$ 342,605	$ 269,447
Investments		1,218,963	1,684,448
Capital Assets		66,024	92,121
Total Assets		$1,627,592	$ 2,046,016
Current Liabilities			
Accounts Payable		127,210	$ 100,631
Unearned Revenue		10,000	
Net Assets			
Invested in Capital Assets		66,024	92,121
Internally Restricted Net Assets		1,200,000	1,200,000
Unrestricted Net Assets		224,358	653,264
Total Net Assets		1,490,382	1,945,385
Total Liabilities and Net Assets		1,627,592	$ 2,046,016
Cash Flows			
Cash Flow From Operating Activities		(491,566)	$ 519,546
Cash Flows from Investing Activities		463,597	(607,779)
Cash Flows from Financing Activities		0	0
Net Increase (Decrease) in Cash		(27,969)	$ (88,233)
Cash Position Beginning of Year		33,761	121,994
Cash Position End of Year		5,792	33,761

CHICKEN FARMERS OF SASKATCHEWAN

1810 - 9th Avenue N.
Box 1637 Regina, SK S4P 3C4
Phone: 306-775-1677
Fax: 306-949-1353

The Board's Objective

To improve and stabilize producer returns by managing product supplies and to ensure high quality, wholesome food is delivered to the consumer at a reasonable price.

Industry Issues

- Bringing the Conversion Agreement to a successful conclusion;
- Supporting the growth agenda to ensure that the growth targets of the expansion agreement are realized;
- Developing and refining the governance structure of the Chicken Farmers of Saskatchewan (CFS);
- Developing a long-term strategic focus of the industry; and
- Undertaking initiatives that spotlight the responsibility for individual production.

Chicken Production

There were 94 producer licenses and 3 permits issued during 2002.

Administration and Finance

The board's directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. CFS's system of internal control, legislative compliance and financial statements is examined annually by Meyers Norris Penny. The CFS was successful in 2002 at meeting all of the Council's recommended reporting requirements.

The board employed two full time staff in 2002.

Check-Off

In 2002, 97 producers were registered with CFS (94 licenses and 3 permits). During the 2002 fiscal year, the Board collected $389,787 in check-offs - an increase of approximately 7 per cent over last year. The increase in production is due to an agreement signed with the national marketing agency, the Chicken Farmers of Canada, to double Saskatchewan's quota over a five-year period. In accordance with the board's regulations and orders, the check-off is $0.014 per kilogram of chicken marketed. The check-off is mandatory and non-refundable.

Check-off Revenue

	2002	2001	2000	1999	1998
Check-off Revenue	$389,787	$361,047	$305,931	$251,093	$285,260

Chicken Production

1995 – 2002 Distribution of Quota Holders

Kg/annum	2002	2001	2000	1999	1998	1997	1996	1995
0-100,000	1			0	2	3	3	4
To 150,000	1			1	6	6	6	5
To 200,000	2			4	14	13	13	14
To 300,000	13			17	22	22	22	20
To 400,000	12			20	13	11	12	12
To 500,000	35	63	48	17	16	18	17	18
To 600,000	15	12	17	14				
To 700,000	6	5	6					
To 800,000	8	6	6					
To 900,000	1	2	3					
To 1,000,000	2	3	4					
1,000,000 +	1							
Total Producers	97	91	84	73	73	73	73	73

The 2002 base quota for Saskatchewan was 7,291,284 kilograms per cycle, an increase of 11.4% over 2001.

CHICKEN FARMERS OF SASKATCHEWAN

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Box 1637 Regina, SK S4P 3C4
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To 300,000	13			17	22	22	22	20
To 400,000	12			20	13	11	12	12
To 500,000	35	63	48	17	16	18	17	18
To 600,000	15	12	17	14				
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To 900,000	1	2	3					
To 1,000,000	2	3	4					
1,000,000 +	1							
Total Producers	97	91	84	73	73	73	73	73

The 2002 base quota for Saskatchewan was 7,291,284 kilograms per cycle, an increase of 11.4% over 2001.

Administrator

By Lieutenant Governor Order in Council 282/2000 dated May 30, 2000, the Minister of Agriculture, Food and Rural Revitalization transferred most of the powers of the board of the CFS to an independent administrator.

The Administrator was charged with the following tasks:

- carry out quota allocation, pricing and levy collection duties and procedure;
- implement the Memorandum of Understanding;
- resolve industry disputes; and
- explore with industry new decision-making structures to reduce the conflict currently impeding industry progress.

Research Projects

The CFS spent approximately $67,860 in research in 2002.

Market Development

The marketing activities in 2002 included:

- Saskatchewan Food and Wine Festival;
- Development of a new logo, replacing the logo that had been in place since the early 1970's;
- Canadian Western Agribition; and
- Sponsorship of the Heart and Stroke Association golf tournament fundraiser.

Outlook for 2003

The board will concentrate on the following issues for 2003:

- Moving forward toward full implementation of the On Farm Food Safety Program;
- Refinement of the governance procedures;
- Establishment of a clear strategic direction and implement strategic plan; and
- Continue to build relationships with the stakeholders in the industry.

Board of Directors
(on December 31, 2002)

Nick Langelaar, Chairperson, Hague
Eugene Zagrodney, Vice-Chairperson, Rose Valley
Barry Schneider, Wadena
Roger Regehr, Delisle
Nick Sloboshan, Hepburn

Van Stewart, General Manager
Oswald L. Henry, Administrator

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2002

*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001
Statement of Operations			
Revenue	$ 409,310	$ 409,206	$ 363,550
Expenses			
Programs	117,800	75,843	$ 182,844
Administration	259,700	* 531,024	218,042
Total Expenses	$ 377,500	$ 606,867	$ 400,886
Excess of Revenue over Expenses	$ 31,810	*$(197,661)	$ (37,336)
Balance Sheet			
Current Assets		$ 219,531	$ 118,768
Investments		0	0
Capital Assets		4,328	4,162
Total Assets		$ 223,859	$ 122,930
Current Liabilities			
Accounts Payable and Accrued Liabilities		$ 29,064	$ 118,169
Penalties Payable *		291,000	0
Deferred Grant Revenue		7,017	4,761
Total Liabilities and Net Assets		* $ 327,081	$ 122,930
Cash Flows			
Cash Flow From Operating Activities		$ 81,328	$ 50,758
Cash Flows from Investing Activities		(80,353)	(1,707)
Cash Flows from Financing Activities		0	(2,250)
Net Increase (Decrease) in Cash		$ 975	$ 46,801
Cash Position Beginning of Year		52,860	6,059
Cash Position End of Year		53,835	52,860

* Includes $291,000 Chicken Farmers of Canada penalties; negotiations are underway for reduction in penalty amount; final terms and conditions not yet agreed upon

SASKATCHEWAN EGG PRODUCERS

Box 1637, 1810 - 9th Avenue N,
Regina, SK S4P 3C4
Phone: 306-924-1505
Fax: 306-924-1515

The Board's Objective

To improve and stabilize producer returns by managing product supplies and to ensure high quality, wholesome food is delivered to the consumer at a reasonable price.

Industry Issues

During 2002:

- Saskatchewan Egg Producers (SEP) aggressively pursued an acceptable agreement with Canadian Egg Marketing Agency (CEMA) through the new Federal-Provincial Agreement that would see growth and expansion for Saskatchewan's egg industry;
- Saskatchewan's Eggs for Processing (EFP) was 49,338 layers by year end 2002;

Egg Production

There were 67 licensed producers at the end of 2002, unchanged from last year.

The 2002 base quota for Saskatchewan was approximately 831,140 layers (approximately equal to 2000 levels), or approximately 4.1 per cent of the national total. Saskatchewan's egg industry is working with the government to increase this level.

Total surplus declarations for 2002 were 225,400 boxes, a 6.4 per cent increase over 2001 levels.

Administration and Finance

Directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records, and preparing financial statements. The Board's financial system is examined annually by E.J.C. Dudley & Co. In 2002, the Board met its regulated obligations related to preparation and presentation of financial records by year-end. However, the Board had not completely met the Council's new financial reporting standards.

The Board employed three full time staff in 2002.

Check-Off

During the 2002 fiscal year, the Board collected $397,538 in check-off - an increase of approximately 13 per cent over last year. In accordance with the board's regulations and orders, the Saskatchewan and CEMA check-off is $0.245 per dozen eggs marketed. The check-off is mandatory and non-refundable.

Egg Production
1995 – 2002 Distribution of Quota Holders

Flock Size	2002	2001	2000	1999	1998	1997	1996	1995
0 – 1,000	2	1	1	1	2	1	1	1
1,001 – 3,000	3	4	4	5	4	8	8	9
3,001 – 5,000	13	13	13	15	17	17	16	16
5,001 – 10,000	22	22	21	25	24	22	24	25
10,001 – 20,000	18	17	19	18	17	18	17	16
20,01 and over	9	10	10	10	11	10	10	10
Total	**67**	**67**	**68**	**74**	**75**	**76**	**76**	**77**

The Board receives a levy of $0.0355. $0.03 is used for administration and marketing and $0.0055 is used for the Surplus Removal Fund, which funds removal of egg surplus to the needs of table egg consumers in Saskatchewan.

Check-off Revenue

	2002	2001	2000	1999	1998	1997
Check-off Revenue	$397,538	$387,124	$382,956	$372,745	$375,258	$369,953

Research Projects

The Board invested $90,072 in research projects in 2002, including the poultry extension program, research and studies at the University of Saskatchewan, and Salmonella enteritidis testing.

Market Development

The marketing activities in 2002 included:

- Promotion contest for a dinner for two and a weekend night at a hotel, distributed through flyers;
- Development of a web page with links to CEMA with recipes and information; and
- Attendance at the Canadian Western Agribition.

Promotional Activities

During the year, the Board:

- Sponsored the Cameco Jingle Bell Run for Arthritis in Saskatchewan;
- Manned SEP displays at the Canadian Western Agribition; and
- Sponsored the Heart and Stroke Foundation's golf tournament.

Outlook for 2003

Issues before the Board in 2003 will include:

- Seeking a quota expansion from CEMA;
- updating the Federal-Provincial Agreement;
- exploring research avenues, including new product development; and
- careful monitoring of animal rights issues;

Board of Directors

(on December 31, 2002)

Bert Harman, Chairperson, Saskatoon
Don Wiens, Vice-Chairperson, Regina
Joseph Mandel, Tompkins
Stan Fehr, Hague
David Hofer, Lumsden
Tim Wiens, Regina

Michael Katz, General Manager

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(on December 31, 2002)

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Michael Katz General Manager

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2002

*Complete financial statements can be found in the agency's annual report.

		Actual 2002	Actual 2001
Statement of Operations			
Revenue		**$ 5,313,500**	**$ 5,879,025**
Expenses			
	Programs	4,786,540	5,202,359
	Administration	503,720	579,747
Total Expenses		**$ 5,290,260**	**$ 5,782,106**
Excess of Revenue over Expenses		**$ 23,240**	**$ 96,919**
Balance Sheet			
	Current Assets	$ 954,598	$ 1,075,476
	Investments	998,488	972,500
	Capital Assets	119,058	87,042
	Total Assets	$ 2,072,144	$ 2,135,018
	Current Liabilities		
	Accounts Payable	$ 236,593	$ 337,706
	Canadian Egg Marketing Agency - Levies	214,013	199,014
	Surplus	1,621,538	1,598,298
	Total Liabilities and Net Assets	$ 2,072,144	$ 2,135,018
Cash Flows			
	Cash Flow From Operating Activities	356,259	$ (365,973)
	Cash Flows from Investing Activities	(67,949)	(105,334)
	Cash Flows from Financing Activities	0	0
	Net Increase (Decrease) in Cash	$ 288,310	$ (471,307)
	Cash Position Beginning of Year	119,951	591,258
	Cash Position End of Year	408,261	119,951

SASKATCHEWAN FLAX DEVELOPMENT COMMISSION

A5A - 116 - 103rd Street East,
Saskatoon, SK S7N 1Y7
Phone: 306-664-1901
Fax: 306-664-4404
E-mail: saskflax@saskflax.com
Web: www.saskflax.com

The Commission's Mission

To lead, promote, and enhance the production, value-added processing and utilization of Saskatchewan flax.

Mandate

The mandate of the Saskatchewan Flax Development Commission is to:

- promote and develop the flax industry in Saskatchewan;
- develop procedures to maximize returns to flax producers;
- encourage production of a uniform, high quality product;
- gather, compile and distribute information relating to the production, consumption and marketing of flax;
- conduct or encourage research on the production, marketing, processing and consumption of flax; and
- promote and improve understanding among individuals and organizations within the flax industry.

Industry Issues

- Straw management - fiber utilization, standards development, Fiber Champion Specialist position activities;
- Crop situation;
- Human consumption - "natural", label requirements, flax's role; and
- Production/supply and its impact on budget.

Flax Production

Saskatchewan flax production was 444,000 tonnes, approximately 65 per cent of the Canadian production of 679,400 tonnes. The crop yield of 15.9 bushels per acre dropped below last year's average of 16.7 bushels per acre, and is 3.6 bushels below the 10 year average.

Administration and Finance

The Commission's Board of Directors is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Commission's system of internal control, legislative compliance and financial statements is examined annually by Merv Culham, CA. The Commission was successful in meeting all of the financial reporting requirements of the Council during the 2002 fiscal year.

Check-Off

The check-off rate is $1.18 per tonne of flax seed and $0.50 per tonne of flax straw. There were approximately 18,000 producers registered with the Commission in 2001. Check-off revenues in 2002 increased only slightly to $502,202. The flax check-off is refundable twice annually. In 2002, $26,415 (5.3 per cent) was refunded to producers.

Check-off Revenue

	2002	2001	2000	1999	1998	1997
Check-off Revenue	$502,202	$498,875	$579,178	$591,863	$519,990	$345,857
Refunds	26,415	21,937	27,643	19,394	13,442	4,786
Total	$475,787	$476,938	$551,535	$572,469	$506,548	$341,071

SASKATCHEWAN FLAX DEVELOPMENT COMMISSION

A5A - 116 - 103rd Street East,
Saskatoon, SK S7N 1Y7
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The Commission's Board of Directors is responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Commission's system of internal control, legislative compliance and financial statements is examined annually by Merv Culham, CA. The Commission was successful in meeting all of the financial reporting requirements of the Council during the 2002 fiscal year.

Check-Off

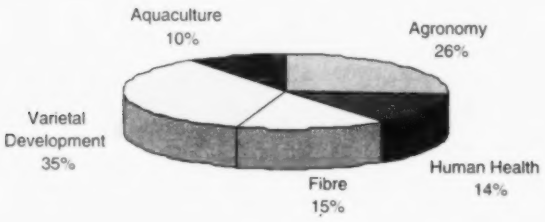
The check-off rate is $1.18 per tonne of flax seed and $0.50 per tonne of flax straw. There were approximately 18,000 producers registered with the Commission in 2001. Check-off revenues in 2002 increased only slightly to $502,202. The flax check-off is refundable twice annually. In 2002, $26,415 (5.3 per cent) was refunded to producers.

Check-off Revenue

	2002	2001	2000	1999	1998	1997
Check-off Revenue	$502,202	$498,875	$579,178	$591,863	$519,990	$345,857
Refunds	26,415	21,937	27,643	19,394	13,442	4,786
Total	$475,787	$476,938	$551,535	$572,469	$506,548	$341,071

Research Projects

Over the past year, five research products were approved and initiated in addition to continuation of previously committed research projects in the areas of human health, varietal development, fiber, value-added, aquaculture feeds, component parts, and agronomy. The Commission spent $195,625 on research.



Market Development

This priority area encompassed three sectors - food, nutraceuticals, and fiber. The Commission spent $107,189 in Market Development in 2002. The Commission was involved in:

- Introducing consumers, food writers, media, chefs, and cooking institutions to flax at national and international seminars and conferences;
- Supporting the Saskatchewan Nutraceutical Network;
- Exploring markets via the Expo West Show in California;
- The American Oil Chemists Society; and
- International Society for the Study of Fats and Lipids seminars.

Communication

The Commission communicated with registered flax producers via the annual meeting and field day, as well as through the Commission's newsletter (three issues). Information shared with producers included updates on research, markets, products, events, and operations. The Diagnostic Guide for flax production was revamped and is now available to all producers. SaskFlax represented Saskatchewan flax producers on such topics as varietal registration, research needs, fiber, and the Agricultural Policy Framework. Partnerships and collaborations with allied flax organizations like the Flax Council of Canada and Ameriflax enabled the Commission to effectively address industry issues which will grow the industry. Support of agri-education organizations like Agriculture in the Classroom, Ag Adventures, the Conservation Learning Centre, and 4-H provided opportunities to share knowledge and encourage participation in Saskatchewan's agri-food industry. The Commission's expenditure on communication in 2002 was $115,278.

Outlook for 2003

The Commission anticipates:

- Continued and enhanced partnerships/programs with allied flax organizations;
- Continued interest in flax fiber (regarding research efforts, information dissemination and partnerships with current stakeholders) and efforts to develop a natural fiber centre in Western Canada (located in Saskatchewan);
- Continual examination of levy income and careful budget evaluation in light of the 2003 crop estimates; and
- Continued co-operative efforts/programs with other oilseed organizations and farmer (commodity) organizations.

2002 Board of Directors

Chris Hale, Chairperson, Rouleau
Bob Linnell, Vice-Chairperson, Weyburn
Terry Boehm, Allan
Barry Karol, Killiher
Gordon Cresswell, Tisdale
David Sefton, Broadview

Linda Braun, Executive Director, Saskatoon

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING JULY 31, 2002

*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001
Statement of Operations			
Revenue	**$ 535,000**	**$ 558,259**	**$ 548,660**
Expenses			
Programs	489,700	418,092	391,583
Administration	122,600	143,624	166,179
Total Expenses	**$ 612,300**	**$ 561,716**	**$ 557,762**
Excess of Expenses over Revenue	**(77,300)**	**(3,457)**	**$ (9,102)**
Balance Sheet			
Current Assets		938,112	931,520
Investments		0	0
Capital Assets		869	2,409
Total Assets		938,981	933,929
Liabilities			
Accounts Payable		63,381	134,710
Research Grants Payable		79,838	
Net Assets			
Invested in Capital Assets		0	0
Internally Restricted Net Assets		600,000	600,000
Unrestricted Net Assets		195,762	199,219
Total Net Assets		795,762	799,219
Total Liabilities and Net Assets		938,981	933,929
Cash Flows			
Cash Flow From Operating Activities		(2,258)	27,207
Cash Flows from Financing Activities		9,509	0
Net Increase (Decrease) in Cash		7,251	13,022
Cash Position Beginning of Year		840,961	827,939
Cash Position End of Year		848,212	840,961

SASK PORK

Bay 2, Main Floor, 502 - 45th Street West,
Saskatoon, SK, S7L 6H2
Phone: 306-244-7752
Fax: 306-244-1712
Web: www.saskpork.com
e-mail: info@saskpork.com

Sask Pork Vision

To ensure a sustainable pork industry within a diverse provincial agricultural economy.

Sask Pork Mission

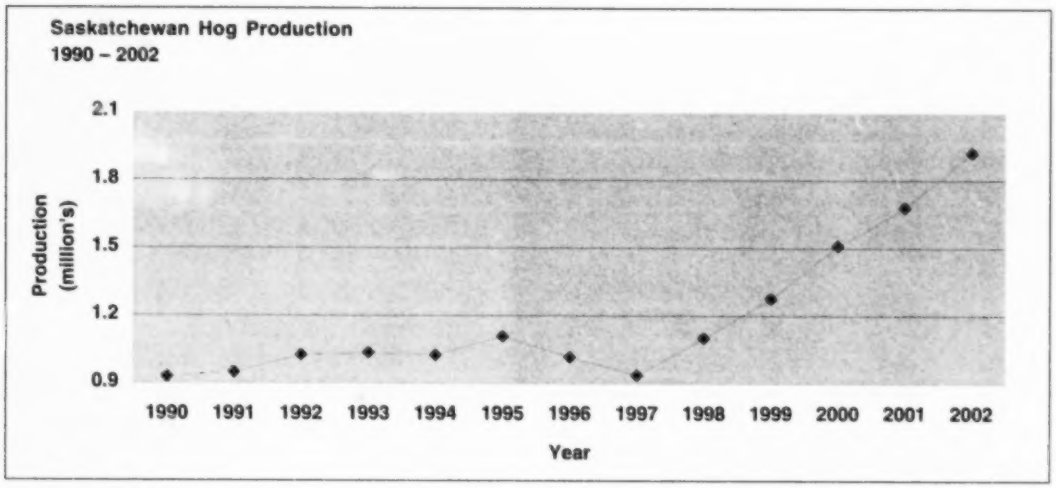
Sask Pork is dedicated to working on behalf of producers through communications, policy development and research programs.

Industry Issues

- Determination of short and long term solutions to the economic situation in Western Canada vis-à-vis the drought and impact on feed supply for livestock;
- Federal assistance in the form of safety net programs for livestock producers, specifically hog producers and factors affecting hog prices and survival of producers during cyclical downturns in prices and market demand;
- Ramifications of the 2002 U.S. Farm Bill Country of Origin Labelling;
- Ongoing development of federal environmental management standards for the pork industry and application of those standards;
- Traceability for control of disease outbreak as well as establishment of zoning for marketing pork internationally;
- Ongoing community awareness and acceptance of intensive livestock production.
- Monitoring advancements and inroads in the areas of food safety, animal welfare and establishing methods for prevention of foreign animal disease outbreaks, i.e., Foot & Mouth Disease, pseudo-rabies, etc;
- Opportunities for industry growth and development amid growing opposition to the intensive livestock industry; and
- Concerns about the adequacy of packer slaughter capacity given the increased production in Saskatchewan and Western Canada.

Pork Production

There were 747 pork production units registered with Sask Pork at the end of 2002. Total provincial pork production for 2002 was 1.92 million hogs.



The following chart provides a breakdown of Saskatchewan's pork producers:

Pork Producers by Size of Annual Production

Year	1 – 100	101 – 200	201 – 500	501 – 1000	1001 – 2000	2001 – 4000	4001 +	Total
1993	1757	309	394	203	101	44	55	2863
1994	1819	313	349	191	100	43	59	2874
1995	1850	228	332	188	94	44	65	2801
1996	1416	216	240	132	87	36	74	2201
1997	994	150	167	124	74	79	73	1611
1998	*	*	*	*	*	*	*	*
1999	763	115	152	89	51	35	69	1274
2000	583	89	121	67	50	31	93	1034
2001	463	81	93	79	44	32	109	901
2002	385	66	74	71	33	24	94	747

*No numbers available

Administration and Finance

It is the fiduciary responsibility of management to ensure proper and responsible administration of Sask Pork's finances and report the financial results to the producers. Deloitte & Touche annually examines the board's system of internal control, legislative compliance and financial statements. The reporting period for the statements is August 1, 2001 to July 31, 2002. SaskPork was successful in meeting all of the Council's recommendations for 2002.

The Board employed 6.5 full time staff in 2002.

Check-Off

The check-off rate for 2002 was $.90 per hog marketed. The net check-off revenue generated for the years 1998 to 2002 is represented in the following table.

Check-off Revenue

	2002	2001	2000	1999	1998*
Check-off Income	$1,644,525	$926,431**	$1,508,633	$1,261,026	$875,000*

* The 1998 fiscal year was from April to December

** 2001 revenue reflects a seven month reporting period as a result of a change of year-end for the organization.

Programs, Services and Associations

The following is a breakdown of services provided during the year under the three key areas of focus as outlined in the organization's approved Strategic Plan:

2002 Primary Production:

- Swine Industry Research Program Funded through check-off and Saskatchewan Agriculture, Food and Rural Revitalization (Agri-Food Innovation Fund, Pork Industry Sustainability Fund);
- Statistics - database maintenance;
- Library resource materials housed; and
- Pork Expo and Pork Industry Symposium (in partnership with Saskatchewan Agriculture, Food and Rural Revitalization) successfully held.

2002 Production Units:

- Research Tax Credits - obtained credits for producer use of the program;
- Hog Loan Program developed in partnership with the provincial government;
- Delivery of the Canadian Quality Assurance Program (CQA®);
- Development of industry regulations and standards;
- Public Policy Development; and
- Canadian Pork Council and Canada Pork

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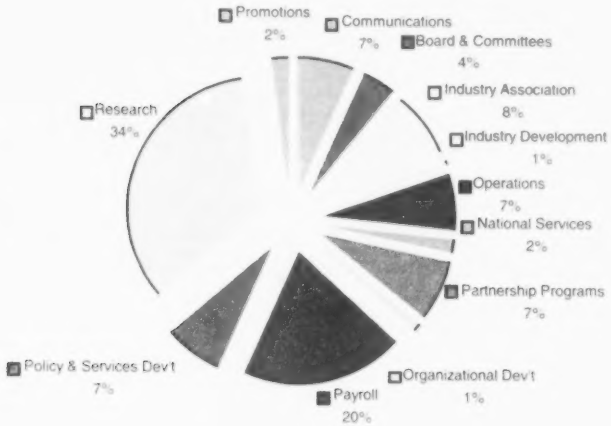
- Development of industry regulations and standards;
- Public Policy Development; and
- Canadian Pork Council and Canada Pork

International supported through funding.

2002 Industry and Community Relations:

- Industry Development through community presentations;
- Pork Industry Interpretive Centre and Viewing Gallery co-ordination;
- Communications / public attitudes survey conducted;
- Web site development and maintenance;
- Retail and consumer product promotion programs expanded;
- Corporate sponsorships and trade show participation; and
- Distribution of monthly newsletter.

The following charts details percentage of check-off to each program/expense area:



Canadian Pork Council

Sask Pork funds the Canadian Pork Council (CPC) at a rate of 7.25 cents per pig. These funds are used by the CPC towards general office administration, leadership on issues of national and international importance to the Canadian pork industry, and co-ordination of the Canadian Quality Assurance and the national Nutrition program.

Canada Pork International

Canada Pork International (CPI) receives funding from check-offs at 2.75 cents per pig. CPI, the export agency for the Canadian pork industry is responsible for industry market development, international export promotion of the Canadian pork industry, trade access, and export diversification.

Research Program

Sask Pork, with funding from the check-off and the Pork Industry Sustainability Fund, supports swine research in areas that directly affect producers' profitability including herd health; lowering production costs; occupational health and safety; manure management; and environmental issues.

Significant projects include continued funding for the Sask Pork Chair in Environmental Engineering for the Livestock Industry established at the University of Saskatchewan in 2000, and Founding Chair support for the Sask Pork-CIHR Chair in Environmental and Occupational Health through the Centre for Agricultural Medicine at the University of Saskatchewan. Core funding is also provided to the Prairie Swine Centre Inc. and the Veterinary Infectious Disease Organization (VIDO). Long term projects relative to environmental impacts of hog manure applications on soils are underway at the University of Saskatchewan Department of Bioresource Engineering.

Animal health and reproductive physiology are addressed in projects currently underway at the Western College of Veterinary Medicine and the Centre for Swine Research at the University of Alberta.

The per centage breakdown of the research funds (from the check-off and the Agri-Food Innovation Fund) are as follows:

Prairie Swine Centre - 58%
Funding Chair Positions - 14%
Manure Management - 9%
Equipment purchases - 12%

Other - 7%

Canadian Quality Assurance (CQA®)

The HACCP based, national quality program, rolled out 1998, and was initially developed in response to the consumer's demand for a safe product and packers moving towards a policy to accept only quality-assured livestock for processing.

At the end of December 2002, roughly 84% of Saskatchewan pork production was either enrolled in or validated under the Canadian Quality Assurance program.

Outlook for 2003

It is anticipated that production will be marginally higher in 2003. While some producers are ceasing production due to low hog prices and high feed grain prices, a number of operators are expanding, which can be expected to balance production within the province.

2002 Board of Directors
(effective November 14, 2002)

Leon Lueke, Chairperson, Humboldt
Jerry Pfeil, First Vice-Chair, Humboldt
Cliff Her, Second Vice-Chair, Humboldt
Ross Johnson, Outlook
Joe Kleinsasser (Ex Officio), Rosetown
Judy Ulrich, Spalding
Walter Yates, Gull Lake

Neil Ketilson, General Manager

Financial Status

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING JULY 31, 2002
*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001 (7 months)
Statement of Operations			
Revenue	**$ 2,168,642**	**$ 2,131,049**	**$ 1,390,156**
Expenses			
Programs	1,545,575	1,462,962	729,837
Administration	513,613	544,970	511,695
Total Expenses	**$ 2,059,188**	**$ 2,007,932**	**$ 1,241,532**
Excess of Revenue over Expenses	**$ 109,454**	**$ 123,117**	**$ 148,624**
Balance Sheet			
Current Assets		$ 1,433,134	$1,193,565
Capital Assets		12,360	14,315
Total Assets		1,445,494	1,207,880
Current Liabilities		404,415	257,113
Net Assets			
Internally Restricted Net Assets		52,100	31,258
Unrestricted Net Assets		988,979	919,509
Total Net Assets		1,041,079	950,767
Total Liabilities and Net Assets		1,445,494	1,207,880
Cash Flows			
Cash Flow From Operating Activities		587,859	$ (251,377)
Cash Flows from Investing Activities		(8,948)	(8,067)
Cash Flows from Financing Activities		0	0
Net Increase (Decrease) in Cash		578,911	$ (259,444)
Cash Position Beginning of Year		537,553	796,997
Cash Position End of Year		1,116,464	537,553

SASKATCHEWAN PULSE GROWERS

310 - 111 Research Drive,
Saskatoon, SK S7N 3R2
Phone: 306-668-5556
Fax: 306-668-5557
E-mail: gpatterson@saskpulse.com
Web: www.saskpulse.com

Plan, Vision and Mission

The Saskatchewan Pulse Crop Development Plan was established in July of 1984. The general intent of the plan is to provide for the effective development of the Saskatchewan pulse crop industry. Its purposes include:

- promoting and developing the Saskatchewan pulse crop industry;
- developing procedures to maximize returns to producers;
- gathering, compiling and distributing information related to production, consumption and marketing of pulse crops;
- conducting and encouraging research on the production, marketing, processing and consumption of pulse crops; and
- promoting and improving communication amongst individuals and organizations within the pulse crop industry.

Vision Statement

The Saskatchewan pulse industry will be the world's preferred supplier of peas, lentils, chickpeas and beans.

Mission Statement

Our mission is to maximize grower profitability and sustainability.

Industry Issues

2002 was a difficult year, with production problems and the addition of pulses into the U.S. Farm Bill. The industry is at a crossroads, with indications that require leadership and innovation on the part of the Saskatchewan industry in order to remain competitive. These indications include:

- Commoditization of lentils and peas, resulting in lower prices to producers;
- Chickpea ascochyta that is becoming increasingly difficult to manage;
- Limited selection of crop protection products;
- Discounting of Canadian pulses on world markets;
- Exports of pulses that are mostly in their unprocessed raw form; and
- Over-capacity of pulse processing.

Pulse Production

Pulses were seeded on approximately 4.3 million acres in Saskatchewan in 2002, a temporary reduction caused by drought.

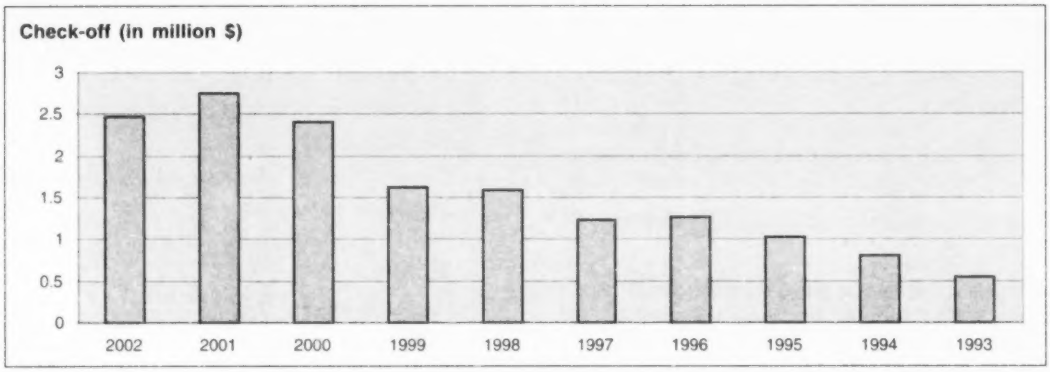
Administration and Finance

Directors are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The Board's system of internal control, legislative compliance, and financial statements is examined annually by Hergott Duval Stack & Partners. The Saskatchewan Pulse Growers were successful in meeting all of the Council's new reporting requirements for the 2002 year.

Check-Off

During the 2002 fiscal year, the Board collected $2,478,225 in check-offs and had total revenues of $3,101,727. In accordance with the Board's regulations and orders, as amended this year, the check-off is 0.75 per cent of the gross value of the pulses sold. The check-off was increased, with producer support, to ensure research and development necessary for the growth and expansion of the industry.

Saskatchewan Pulse Growers is a development board under the Act so it does not refund levies to producers. The Board employs the Saskatchewan Canola Development Commission's Levy Central to collect the check-off.



Research

The industry has expanded faster than research has developed. Pulse Canada's Research Strategy, of which Saskatchewan is a leader, believes the establishment of a foundation of core scientists, infrastructure, and knowledge is the key to supporting the industry. The industry can then work with this expertise to:

- Develop a pulse quality, compositional and functional database;
- Establish a pulse quality assessment system;
- Develop a field research site network;
- Strengthen pathology;
- Strengthen and adapt the genetic improvement programs;
- Provide additional utilization research; and
- Provide a sustainable environment.

The Research and Development expenditures in 2002 were $1,015,682. Sask Pulse continues to support research as a very integral component of a profitable and expanding pulse industry. The use of growers' levy dollars to partner with federal and provincial research funds as well as the Western Grains Research Foundation, the University of Saskatchewan, and other provincial pulse growers associations, has given producers extra value.

Market Development

The objective of the Saskatchewan Pulse Growers Market Development Committee is to increase domestic opportunities for Saskatchewan grown pulses. The majority of the market development efforts continue to focus on international markets through the efforts of Pulse Canada. Areas of focus include increased market access, food safety, linking market intelligence with plant breeding, development of pulse quality profiles, communication to potential new buyers, and lobbying governments regarding programs and regulations.

Extension and Communications

Saskatchewan Pulse Growers' world class extension program is designed to educate growers about new production techniques and market opportunities. It includes Pulse Days, Pulse Point magazine, a Web site, an annual report, winter pulse meetings and a summer pulse tour. This year, Saskatchewan Pulse Growers increased their communications with growers through additional winter meetings in order to seek input on their needs and explain how the check-off is being used. In the coming year, Pulse Growers will be launching an electronic newsletter, The Pulse Brief, to update producers on timely issues.

Outlook for 2003

Saskatchewan Pulse Growers continue to look forward with plans to continue implementing their long-term strategy. Highlights include:

- Agriculture and Agri-Food Canada indicated that it will increase its investment into pulse research;
- The Pulse Growers are undertaking a fundraising initiative to build a pulse field research lab in Saskatoon;
- The Agri-Food Innovation Fund committed $1.5 million towards the pulse field lab; and
- The Pulse Growers will be increasing their check-off to one per cent in August, 2003, in order to complete their increase in annual research budget from $1 million to $4 million by 2005.

2002 Board of Directors

Glen Annand, Chairperson, Mossbank
Shawn Buhr, Lucky Lake
Germain Dauk, Naicam
Ron Hundeby, Elbow
Don Meier, Star City
Dean Corbett, Macrorie
Jim Moen, Cabri

Garth Patterson, Executive Director, Saskatoon

Financial Status

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING JULY 31, 2002
*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001
Statement of Operations			
Revenue	**$ 3,319,664**	**$ 3,101,727**	**$ 3,353,156**
Expenses			
Programs	2,701,216	2,471,741	2,674,503
Administration	707,684	635,140	618,046
Total Expenses	**$ 3,408,900**	**$ 3,106,881**	**$ 3,292,549**
Excess of Revenue over Expenses	**$ (89,236)**	**$ (5,154)**	**$ 60,616**
Balance Sheet			
Current Assets		1,519,892	$ 1,746,380
Investments		1,000,000	1,000,000
Capital Assets		352,689	362,227
Total Assets		$ 2,872,581	$ 3,108,607
Current Liabilities			
Accounts Payable		$ 137,090	$ 371,462
Net Assets			
Externally Restricted		3,500	
Invested in Capital Assets		352,689	362,227
Internally Restricted Net Assets		1,000,000	1,000,000
Unrestricted Net Assets		1,379,302	1,374,918
Total Net Assets		2,735,491	2,737,145
Total Liabilities and Net Assets		2,872,581	$ 3,108,607
Cash Flows			
Cash Flow From Operating Activities		(16,828)	$ 519,546
Cash Flows from Investing Activities		(2,564)	(607,779)
Cash Flows from Financing Activities		0	0
Net Increase (Decrease) in Cash		(19,392)	$ (88,233)
Cash Position Beginning of Year		171,671	121,994
Cash Position End of Year		152,279	33,761

SASKATCHEWAN SHEEP DEVELOPMENT BOARD

2213C Hanselman Court,
Saskatoon, SK S7L 6A8
Phone: 306-933-5200
Fax: 306-933-7286
E-mail: sheepdb@sk.sympatico.ca
Web: www.sk.sympatico.ca/sksheep

The Board's Vision and Mission

Vision Statement

A sheep industry that is competitive and viable within sustainable agriculture, growing and responding to the global marketplace, offering alternative opportunities for production and processing, and access to diverse markets with producer and consumer support.

Mission Statement

To provide for the effective development of the Saskatchewan sheep industry and the promotion, regulation and marketing of sheep and sheep products.

Specific aims of the Board are:

- to coordinate and inform the industry on matters relating to the production and marketing of sheep and sheep products;
- to promote harmony and communication within the industry;
- to develop the potential of the industry through extension, development of the market and the promotion of sheep products; and
- to ensure the provision of services required for the profitable marketing of sheep products.

Industry Issues

The Board has identified a number of difficult issues affecting the operations of the Saskatchewan Sheep Development Board (SSDB). These include:

- Lack of adequate funding for the industry to carry out what is expected of it;
- Supporting the value-added component of the industry. With no federally inspected slaughter plant in the province that will slaughter lambs, many lambs leave the province to be slaughtered;
- Long term predation control; need a program that all producers can count on for help for years to come;
- Check-off; the system is not providing sufficient funding to do the work that is needed by the industry; and
- Drought has forced a reduction in flock numbers.

Sheep Production

There are 1,272 flocks registered with the SSDB. Including some unregistered flocks, the provincial flock is estimated at 69,000 breeding ewes, with an average flock size of 50 ewes.

Administration and Finance

Directors are responsible for establishing and maintaining a system of internal controls, complying with applicable regulations, maintaining financial records and preparing financial statements. In 2002, the Board met its regulated obligations related to preparation and presentation of financial records by year-end. However, the Board had not completely met the Council's new financial reporting standards. The Board's systems are examined annually by Lorne Horning, CA.

Check-Off

The check-off rate for 2002 was $1 per sheep marketed, unchanged from the previous year. During the 2002 fiscal year, the Board collected $54,662 in check-offs and had total revenues of $569,305, mainly through sales of sheep equipment and supplies, seminars, and handling fees. This is an increase of 21 per cent from 2001 revenues. As a development board, it does not refund levies to producers. In accordance with the Board's regulations and orders, the check-off is $1 per sheep produced in Saskatchewan. Other revenues were derived from areas such as supply sales, seminars, handling and contributions.

The Board is experiencing difficulty collecting check-offs on animals that move out-of-province for slaughter and processing. The board currently lacks a federal delegation of authority that would allow it to collect the check-off outside Saskatchewan. The Board, along with Saskatchewan Agriculture, Food and Rural Revitalization is working with the federal government to determine how to obtain that authority.

Check-off Revenue

	2002	2001	2000	1999	1998
Check-off Income	$54,662	$33,413	$45,730	$34,022	$29,530

SASKATCHEWAN SHEEP DEVELOPMENT BOARD

2213C Hanselman Court,
Saskatoon, SK S7L 6A8
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- Lack of adequate funding for the industry to carry out what is expected of it;
- Supporting the value-added component of the industry. With no federally inspected slaughter plant in the province that will slaughter lambs, many lambs leave the province to be slaughtered;
- Long term predation control; need a program that all producers can count on for help for years to come;
- Check-off: the system is not providing sufficient funding to do the work that is needed by the industry; and
- Drought has forced a reduction in flock numbers.

Sheep Production

There are 1,272 flocks registered with the SSDB. Including some unregistered flocks, the provincial flock is estimated at 69,000 breeding ewes, with an average flock size of 50 ewes.

Administration and Finance

Directors are responsible for establishing and maintaining a system of internal controls, complying with applicable regulations, maintaining financial records and preparing financial statements. In 2002, the Board met its regulated obligations related to preparation and presentation of financial records by year-end. However, the Board had not completely met the Council's new financial reporting standards. The Board's systems are examined annually by Lorne Horning, CA.

Check-Off

The check-off rate for 2002 was $1 per sheep marketed, unchanged from the previous year. During the 2002 fiscal year, the Board collected $54,662 in check-offs and had total revenues of $569,305, mainly through sales of sheep equipment and supplies, seminars, and handling fees. This is an increase of 21 per cent from 2001 revenues. As a development board, it does not refund levies to producers. In accordance with the Board's regulations and orders, the check-off is $1 per sheep produced in Saskatchewan. Other revenues were derived from areas such as supply sales, seminars, handling and contributions.

The Board is experiencing difficulty collecting check-offs on animals that move out-of-province for slaughter and processing. The board currently lacks a federal delegation of authority that would allow it to collect the check-off outside Saskatchewan. The Board, along with Saskatchewan Agriculture, Food and Rural Revitalization is working with the federal government to determine how to obtain that authority.

Check-off Revenue

	2002	2001	2000	1999	1998
Check-off Income	$54,662	$33,413	$45,730	$34,022	$29,530

Research

In the 2001-2002 fiscal year, the Board invested $177,864 in research. The organization is continuing to look for projects that will add value to the producers' product.

Market Development

The Board is working to create value added products, and is supporting a value-added project called "Canadian Prairie Lamb". A separate committee was formed to continue to move this project forward. This committee has representation from the SSDB, government, and producers throughout the province.

Extension and Communications

The Board was involved with a number of extension projects in 2002. Seminars for the 2002 fiscal year included:

- Lambing Time Management;
- Butchering for the Home Freezer;
- Nutrition and Feeding;
- Carcass Evaluation;
- Sheep Economics; and
- Getting Started in Sheep.

Outlook for 2003

The sheep industry in the province went through a tough year in 2002 due to the drought and lower lamb prices. Sheep numbers have been reduced due to a lack of feed this past year. Conditions in other countries around the world has also effected lamb production, which points to a good demand for more lambs. Lamb prices and the demand for breeding stock should be very good this next year. If there are normal growing conditions this year the sheep industry should have a good year.

The Board's financial situation continues to be a concern. Check-off dollars are still not coming in as they should. SSDB plans to tie check-off in with the price of the tag for National ID; however, implementation of this program continues to be delayed. If this can be done, it will provide some financial stability for the SSDB.

The need to provide more marketing options for our producers was made very clear this past year. The SSDB will, in 2003, work very hard on supporting the value-added project.

Board of Directors
(fiscal year ending September 30, 2002)

Harry Harder, Chairperson, Clavet
Niall Campbell, Bjorkdale
Rex Furgeson, Maple Creek
Patrick Roche, Estavan
Beverly Davis, Coleville

Gord Schroeder, Executive Director, Saskatoon

Financial Status

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING SEPTEMBER 30, 2002

*Complete financial statements can be found in the agency's annual report.

	Actual 2002	Actual 2001
Statement of Operations		
Revenue	**$ 569,305**	**$ 468,945**
Expenses		
Programs	261,585	179,242
Administration	271,132	272,999
Total Expenses	**$ 532,717**	**$ 452,241**
Excess of Revenue over Expenses	**$ 36,588**	**$ 16,704**
Balance Sheet		
Current Assets	210,141	$ 180,723
Investments	35,188	33,942
Capital Assets	2,531	5,594
Equity in Cooperative	38	
Total Assets	$ 247,898	$ 220,259
Current Liabilities		
Accounts Payable	$ 31,732	$ 37,618
Net Assets		
Invested in Capital Assets	2,531	5,594
Internally Restricted Net Assets	0	93,528
Unearned Revenue	111,855	83,519
Total Net Assets	104,311	182,641
Total Liabilities and Net Assets	247,898	$ 220,259
Cash Flows		
Cash Flow From Operating Activities	$ 29,465	$ 29,630
Cash Flows from Investing Activities	(1,284)	(1,448)
Cash Flows from Financing Activities	0	0
Net Increase (Decrease) in Cash	28,181	28,182
Cash Position Beginning of Year	134,397	106,215
Cash Position End of Year	$ 162,578	$ 134,397

SASKATCHEWAN TURKEY PRODUCERS' MARKETING BOARD

502 - 45th St. West,
Saskatoon SK S7L 6H2
Phone: 306-931-1050
Fax: 306-931-2825

The Board's Objective

To improve and stabilize producer returns.

Industry Issues

Key issues in 2002 included:

- Strengthening and improving the industry through addressing the issue of grading at the Edmonton plant;
- Completing revisions to the new Orders;
- Provincial allocations were reduced below individual base quotas, as a reduction at the national level was made in an attempt to reduce storage stocks; and
- Two price changes were negotiated.

Turkey Production

Turkey production in Saskatchewan totaled 5.65 million kilograms live weight in 2002. The Board approved two quota transfers in 2002.

During 2002, two price changes were negotiated. After a slight drop in August, prices improved again in December. The overall result was an increase in prices paid to our growers. As of year-end, prices per live kilogram were $1.55 for Grade A Broilers and $1.45 for utilities; $1.505 for Grade A Hens and $1.415 for utilities; and $1.56 for Grade A Toms and $1.47 for utilities.

Administration and Finance

Directors and the management team are responsible for establishing and maintaining a system of internal controls, complying with applicable regulations, maintaining financial records and preparing financial statements. In 2002, the Board met its regulated obligations related to preparation and presentation of financial records by year-end. However, the Board had not completely met the Council's new financial reporting standards. The Board's system is examined annually by Hergott Duval Stack & Partners.

During the 2002 fiscal year, the Board collected $248,903 in check-offs: $97,397 in provincial levies, $70,342 in national levies and $81,164 in generic marketing funds. In accordance with the Board's regulations and orders, the check-off is $0.036 per kilogram of turkey marketed. The check-off is mandatory and non-refundable.

The Board employed one full time staff member in 2002.

Check-Off

The check-off rate was $0.0385 per kilogram.

Check-off Revenue

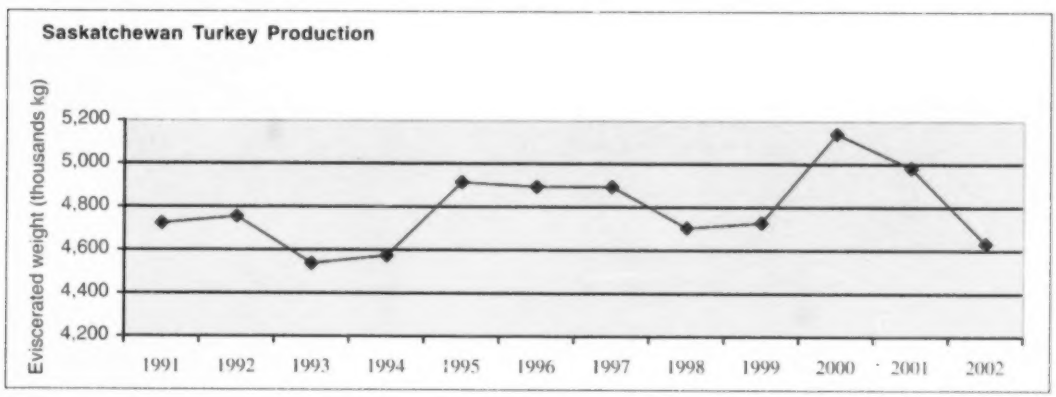
	2002	2001	2000	1999	1998
Check-off Income	$248,903	$261,256	$254,005	$217,154	$168,644

Market Development

Marketing programs undertaken in 2002 focused on reaching out to a diverse audience, promoting good health, including turkey consumption, to consumers from many age groups as well as many lifestyles.

Some of the activities included:

- Marketing material such as barbeque utensils, card holders, lunch bags, water bottles, footballs, golf tees and markers, and aprons;
- Advertising inserts;



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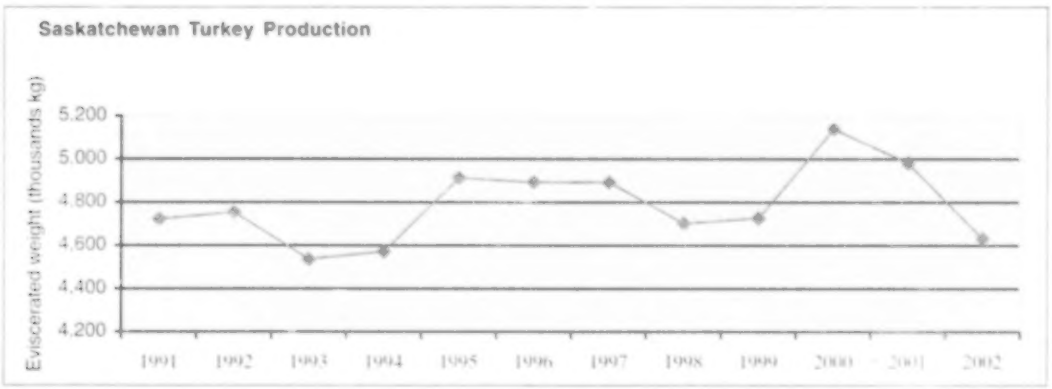

- Canadian Western Agribition participation;
- Saskatchewan Meat Processors Association, Saskatchewan Food Processors Association, and Saskatoon Chef's Association memberships;
- Saskatchewan Bounty membership;
- Retail store promotion, working with Taipan; and
- Event sponsorship.

Extension

The Board participated in a joint project with Saskatchewan's other feather boards. The project was developed to assist producers in reaching their production potential. The cost to Saskatchewan Turkey Producers' Marketing Board for the project in 2002 was $12,261.

Outlook for 2003

Reports on market activity indicate a tremendous decrease in storage stocks over a very difficult year. A decision has been made to again hold production at 126 million kilograms for the 2003 - 2004 quota year.

Board of Directors

(on December 31, 2002)

Dennis Billo, Chairperson, Bruno
Jack Rynsburger, Vice-Chairperson, Melville
Wayne Goodsman, Stalwart
Bev Rosher, Langham
Herman Warkentin, Drake

Rose Olsen, Manager

Financial Status

SUMMARY OF FINANCIAL OPERATIONS FOR THE YEAR ENDING DECEMBER 31, 2002

*Complete financial statements can be found in the agency's annual report.

	Budget 2002	Actual 2002	Actual 2001
Statement of Operations			
Revenue	**$ 268,527**	**$ 286,503**	**$ 294,989**
Expenses			
Programs	177,700	208,001	211,478
Administration	85,900	76,114	82,017
Total Expenses	**$ 263,600**	**$ 284,115**	**$ 293,495**
Excess of Revenue over Expenses	**$ 4,927**	**$ 2,388**	**$ 1,494**
Balance Sheet			
Current Assets		156,838	$ 88,677
Investments		0	33,201
Capital Assets		3,546	3,303
Total Assets		$160,384	$ 125,181
Current Liabilities			
Accounts Payable		$ 20,756	$ 30,997
GST Payable		2,011	990
Deferred revenue		42,035	
Net Assets			
Invested in Capital Assets		3,546	3,303
Internally Restricted Net Assets		0	0
Unrestricted Net Assets		92,036	89,891
Total Net Assets		95,582	93,194
Total Liabilities and Net Assets		$ 160,384	$ 125,181
Cash Flows			
Cash Flow From Operating Activities		$ (30,219)	$ 42,549
Cash Flows from Investing Activities		31,987	(3,201)
Cash Flows from Financing Activities		0	0
Net Increase (Decrease) in Cash		1,768	$ 39,348
Cash Position Beginning of Year		69,266	29,918
Cash Position End of Year		71,034	69,266

National Activites

NATIONAL MARKETING AGENCIES

The Saskatchewan Agri-Food Council is a signatory to three federal-provincial agreements (FPA's). These agreements provide the basis for operation of national marketing agencies for chicken, turkey and eggs. National agencies are essentially producer driven supply management organizations with representation from downstream sectors. The primary mandate of the national agencies is to manage the supply of primary poultry products across Canada according to the terms of the FPAs. Saskatchewan is a member of the Chicken Farmers of Canada (CFC), the Canadian Egg Marketing Agency (CEMA) and the Canadian Turkey Marketing Agency (CTMA). Saskatchewan is not a member or signatory to the Canadian Broiler Hatching Egg Marketing Agency, although membership is currently being considered.

Each national agency allocates a Canadian quota among participating provincial commodity boards, who in turn allocate their provincial allotments within provincial boundaries. The national agencies target production to meet market demand at a price that covers the average producer's cost of production plus a reasonable return on investment.

As a signatory to each of the FPAs, the Agri-Food Council is responsible for participating in matters relating to monitoring the operation of national marketing systems and participating in activities to improve their performance. The Saskatchewan Agri-Food Council continued to co-operate with other supervisory agencies as a member of National Association of Agri-Food Supervisory Agencies (NAASA) to ensure steady progress is made in updating regulatory frameworks. The Agri-Food Council also assists the National Farm Products Council (its counterpart at the national level) in its primary role as supervisor of the national marketing agencies.

In 2002 the Agri-Food Council continued to participate in a process initiated by Provincial and Territorial Ministers of Agriculture in 1998 to renew the FPAs. Ministers directed the NAASA to lead the renewal process to update and modernize the four poultry FPAs. The individual agencies have taken the role of drafting new operating agreements under the FPA structure. In June 2001 the CFC completed the process when all signatories provided approval for their new FPA. This process was the culmination of many months effort and will provide a model for the other three national agencies as they proceed with their FPA renewals. In 2002, both CEMA and CTMA have produced draft agreements.

NATIONAL ASSOCIATION OF AGRICULTURAL SUPERVISORY AGENCIES

Saskatchewan continued to actively participate in 2002 as a member of the **National Association of Agri-Food Supervisory Agencies** (NAASA) whose mandate is as follows:

> "To assist the agri-food industry by sharing information, providing direction and supporting an environment that promotes its development and prosperity."

In 2002 the Agri-Food Council continued to participate in NAASA's most recent objective, that is, to oversee the completion of renewal of FPA's by each of the national marketing agencies.

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